BC Games Society
Annual Report 2010 / 2011

BRITISH COLUMBIA

TABLE OF CONTENTS

1. Message from the Co-Chairs to the Minister Responsible 2

2. Organizational Overview 4
   The Purpose of the BC Games Society is: 4
   Mission 5
   Vision 5
   Values 5

3. Report on Games Performance 6
   Risk and Sensitivities 8

4. Alignment with Government's Strategic Plan 8
   Goal 1 – Effective Management of BC Winter Games, BC Summer Games and Partner Games 10
   Goal 2 – Entrepreneurial Activities 11

5. Financial Report 12
   Management Discussion and Analysis 12
   Major Risks and Opportunities 14
   Management's Responsibility for Financial Reporting 15

6. Corporate Governance 16
   Board Members and Committees 16

7. Financial Statements 18

National Library of Canada Cataloguing in Publication Data
B.C. Games Society.
Annual Report. – 2000/2001 –
Annual.
Title from cover.
Report year ends Mar. 31
Each issue also has a distinctive title.
Also available on the Internet.
ISSN 1709-089X=Annual report – B.C. Games Society.

1. B.C. Games Society – Periodicals. 2. Sports and state – British Columbia – Periodicals
I. Title. II Title: B.C. Games Society...annual report. III. B.C. Games...annual report GV585.3 B72 353.7'8 C2003-803539-1

1. Message from the Co-Chairs to the Minister Responsible

The 2010 BC Summer Games provided an opportunity for 2462 athletes, 513 coaches, and 365 officials to obtain their personal bests. Two years of planning by 2599 volunteers culminated in a four-day event in the Township of Langley. To put these BC Games in perspective, the Vancouver Olympic Games hosted 2566 athletes, accessing in excess of 25,000 volunteers.

The Township Games leveraged the provincial investment of $650,000 with the addition of $656,800 of cash and value-in-kind. Through thoughtful planning, the support of area business and local government, the overall budget yielded a surplus of $122,613 of which $61,316 (50%) was returned to the BC Games Society for future Games. Of the $75,319 (50% + interest and souvenir sales) staying in the Township, decisions are being made regarding the investment of these dollars, with sport, recreation and community being the ultimate beneficiaries.

Prior decisions meant the 2011 Northern BC Winter Games and the 2011 BC Disability Games would not be held as expected. Community fatigue and declining participation were the respective reasons for these Games not proceeding; reasons which have prompted a review of their futures. In their absence, the BC Games Society (which had provided event management services to the host societies) assumed responsibility April 1, 2010 for the VolWeb[1] program and Hosting BC[2] from 2010 Legacies Now. These programs were developed as a legacy to the Olympic and Paralympic Games, both providing service to the volunteer and sport sectors of which the BC Games Society has developed significant experience.

Our corporate partner family was reduced by one as the BC Lottery Corporation concluded their series of annual agreements, sighting changes to their community investment focus. We thank BCLC for their long-standing support of the BC Winter and BC Summer Games, understanding the decision could reverse itself in the years to come. The society did re-sign agreements with Jazz Air and Global BC, continuing relationships which have been ongoing for over twenty-two years. Discussions with two new partners proceeded in January and February, with positive outcomes expected in April 2011.

Costs related to the society's operation, particularly our external transportation costs[3], were reduced compared to the unique year of 2009/2010 leading to a 2010/11 operating surplus of $81,966[4], while our grant to the Township was consistent with previous BC Summer Games grants. External cost pressures associated with day to day operations challenge us, which continues to have us review our business and travel practices related to Games delivery. The society recognizes and values the investment made by the Province of BC in our organization, and looks to alternate sources of revenue to maintain our high standard of service delivery.

Our Board can confidently state we have achieved a high success rate on targets identified in our 2010 / 2011 Service Plan. Volunteers continue to rate highly, our staff and transfer of knowledge materials, while our leadership in sport development provides for an increase in coach certification provincially, and a significant contribution to the performance of Team BC at the recent Canada Winter Games in Halifax.

---

[1] to encourage volunteerism and increase access to volunteer opportunities across Canada
[2] program to support the hosting of international, national, regional events, showcasing facilities and hosting expertise
[3] provision of charter air and bus travel to participants attending the BC Summer Games
[4] to be retained for future capital acquisition in accordance with Budget Transparency and Accountability Act

Our Board thanks Minister Ida Chong, and Minister Stephanie Cadieux[5] for their confidence, and appreciation for the value brought to the province by the BC Games Society, its Host Communities, and the thousands of volunteers who make the BC Games possible. Through the vision of the Board of Directors, and the professionalism and dedication of staff, we continue to uphold our mission to provide event management leadership in the creation of development opportunities for individuals, sport organizations, and host communities throughout British Columbia.

The 2010/11 BC Games Society Annual Report was prepared under the Board's direction in accordance with the Budget Transparency and Accountability Act and the BC Reporting Principles. The Board is accountable for the contents of the report, including what has been included in the report and how it has been reported.

The information presented reflects the actual performance of the BC Games Society for the twelve months ended March 31, 2011 in relation to the service plan published in March 2010.

Our Board of Directors is responsible for ensuring internal controls are in place to ensure information is measured and reported accurately and in a timely fashion.

All significant assumptions, policy decisions, events and identified risks, as of May 19, 2011, have been considered in preparing the report. The report contains estimates and interpretive information that represent the best judgment of management. Any changes in mandate direction, goals, strategies, measures or targets made since the 2010/11 – 2012/13 service plan was released and any significant limitations in the reliability of data are identified in the report.

Yours in sport,

Cathy Priestner Allinger
Co-Chair

Frank Lento
Co-Chair

[5] Minister Cadieux held position from October 25, 2010 to March 13, 2011

2. Organizational Overview

The Purpose of the BC Games Society is:

To provide an opportunity for the development of athletes, coaches, and officials in preparation for higher levels of competition in a multi-sport event which promotes interest and participation in sport and sporting activities, individual achievement, and community development. Specifically, our purpose is to:

- motivate British Columbians to achieve a higher level of fitness and physical well-being through participation in amateur sports and physical activity;
- encourage and motivate athletes, coaches, and officials to attain a higher level of skill and competitive achievement;
- organize competitive sport events that will serve as preparation for higher level competition and play an integral role in the BC sport delivery system;
- provide each hosting community with a legacy of experienced volunteers and facility improvements;
- share the spirit of the Games with British Columbians of all regions of the province;
- celebrate the community.

The BC Games Society was established in 1977 to provide community and sport development opportunities across BC. The Society is included in the public accounts of the Government of British Columbia and is a service crown agency subject to the *Budget Transparency and Accountability Act*. The Society was incorporated under the Society Act of British Columbia in 1987 to provide event management leadership to achieve sport, individual and community development.

Since 1978, the BC Games Society (Society) has been staging the BC Winter and BC Summer Games. The two events, held every even calendar year, are BC's largest multi-sport events. Located in Victoria, the Society provides event management support, volunteer and participant management software, and financial resources to each of its Games host communities. These host cities then form separate not-for-profit societies for the three-year cycle of their games management.

The scope of the BC Games was broadened in 1994 with the addition of the Northern BC Winter Games, the BC Disability Games, and the BC Seniors Games. Similar to our work with the BC Winter and BC Summer Games, the Society provides support and resources to each of these Games, with policy direction coming from the respective Boards of these three Games. Host cities also form their own societies during the cycle of Games hosting.

In February 2007, the BC Seniors Games Society negotiated a stand-alone agreement with the Ministry, while retaining the event management services of the BC Games Society under an annual contract.

Provincial funding for the BC Games Society is provided through a *Transfer Under Agreement* signed by the Sport Branch of the Ministry of Community, Sport and Cultural Development[6].

[6] effective October 25, 2010. Formerly known as the Ministry of Healthy Living and Sport

Communities across the province embrace the BC Games as an opportunity to highlight their citizens, facilities, and hometown pride to the rest of BC. While the BC Games are a four-day celebration, the legacy of these multi-sport events carries forward in new and improved facilities, enhanced volunteers skills, and economic impacts resulting from participant and visitor spending, and legacy investments.

Key partners and stakeholders include provincial and multisport organizations, corporate partners, civic governments, school districts, host societies and their local supporters and volunteers, athletes and coaches.

MISSION, VISION, VALUES

Mission

Through partnerships, the BC Games Society is committed to providing event management leadership in the creation of development opportunities for individuals, sport organizations, and host communities.

Vision

- Entrepreneurial approaches, mutual accountability, and transparency in all our partnerships are standard methods of operation.
- The economic and social benefits to communities in hosting the Games produces quality bids and experiences from a variety of host communities.
- BC athletes, coaches, and officials in national and international competition will benefit from the experience of a BC Games.
- Public and private sectors value and support the BC Games.
- Host Communities, athletes, coaches, managers, officials, and volunteers remember the BC Games as a best ever multi-sport experience.
- The BC Games are a vehicle for community legacies, trained coaches, new sport clubs, facility improvements, community pride and spirit, and skilled event management volunteers in each host community.
- BC Games Society Board represents an effective, ethical, and responsible model in leadership and governance.

Values

Values that underpin how we interact in our relationships:

- Partnerships and collaboration are the foundation to our working relationships where appreciation and understanding of all partners' perspectives is actively sought.
- We have an organizational climate of mutual trust and support between Board and Staff, where roles and responsibilities are clarified, policies are followed and contributions of the team and individuals are honoured.
- Our dynamic approaches continually redefine and determine the most efficient and effective method of delivering event management services and programs.
- Commitment to social issues affecting all British Columbians around health and wellness, personal and community development, equity, access, and inclusiveness is demonstrated.

- Investment in our human resources is critical to our long-term success and we strive to offer personal/professional development opportunities to Board, Staff, and Volunteers.

3. Report on Games Performance

During the period covered by this Annual Report, the BC Games Society planned for / funded / implemented:

- Township of Langley 2010 BC Summer Games
- Comox Valley / Campbell River 2010 BC Seniors Games
- West Kootenay 2011 BC Seniors Games
- Greater Vernon 2012 BC Winter Games
- Surrey 2012 BC Summer Games
- Burnaby 2012 BC Seniors Games

The core business of the BC Games Society is the event management of the BC Winter and BC Summer Games. In support of these two multi-sport events, it is important that the operations of the Society are supplemented through corporate partner investment. The goals, measures, objectives, and targets identified in this Annual Report highlight the role we play within the sport system, and acknowledge the need to assist in the financial stability of our organization.

Successful outcomes due to effective management ensure longevity of the hosting rotations around the province. By establishing the BC Winter and BC Summer Games as a focal point for athlete and coach development, it is important that we measure benchmarks in the successful progression of athletes and coaches. Bringing the business community to aid in the success of the BC Games is critical as their support contributes significantly to the overall success of each Games, while ensuring government's investment is maximized.

The Township of Langley hosted our largest BC Summer Games in a decade with 2462 athletes, 513 coaches, and 365 officials gathering July 22 – 25, 2010. By comparison, the 2010 Ontario Summer Games of that same year hosted 3600 participants, while the upcoming Western Canada Summer Games in August will host approximately 2500 participants. Held in, and adjacent to the state of the art Langley Event Centre, these BC Summer Games saw 25 sports compete. An additional 2599 local volunteers partnered with hundreds of provincial sport volunteers to get the athletes and coaches through the qualifications and onto the field of play.

There was a large increase in the numbers of volunteers registering to lend their expertise immediately following the Vancouver Olympic and Paralympic Games. Over a 42-day period, 244 online volunteer registrations were received. Typically, in a similar time frame of 5-6 months prior to a Games, there would be 30 volunteers register. This demonstrates the value of major events in generating – and conversely, benefiting from – the spirit of volunteerism.

The BC Games Society is staffed by nine full-time employees, five of whom spend significant periods of time travelling to the host cities in support of volunteers. Three administrative staff assist in their work, and aid the functions of the President and CEO's office and the Board of Directors. Our *Guidelines for the Host Community,* an on-line Transfer of Knowledge resource exclusive to the BC Games Society, empower the volunteers with tasks, timelines, and samples, meaning that staff time is maximized, and any one manager can provide assistance to possibly as many as six communities concurrently.

The sport sector's organizational capacity increases each year, and the BC Summer Games is a measurement of their gains. Of the 25 sports at the Games, 10 sports brought at least 80% of their maximum allocation for athletes. Six sports brought 100% of their maximum allocation which speaks to the commitment by these sports organizations to province-wide development. The Society continues to partner with 2010 Legacies Now, Sport BC, the Canadian Sport Centre – Pacific, and numerous other multi-sport agencies to access support for those sports requiring administrative or developmental assistance.

The Northern BC Winter Games, the BC Disability Games, and the BC Seniors Games are governed independently of the BC Games Society. The Society has, through a management agreement, the responsibility for the event management services for their respective Games; the Society's Board and staff do provide policy guidance and direction but that may be subsequently superseded by the respective Games' Boards of Directors.

As was noted in the 2009 / 2010 Annual Report, the 2011 Northern Games were postponed due to community and business fatigue, while the BC Disability Games were challenged with diminishing participation. The Ministry of Community, Sport and Cultural Development is consulting with partner societies, northern and disability sport stakeholders, and the BC Games Society to determine the future and/or other models of investment in northern and disability sport. It is yet to be determined what, if any, role the BC Games Society will have in this.

As noted in the results on the following pages, the BC Games Society was able to meet its objectives. These results further express the value of the BC Games in sport and community development. The BC Winter and BC Summer Games continue to provide opportunities for provincial and multi-sport organizations to align participation and competition with the Canadian Sport for Life approach. Through our actions, the Board and staff of the BC Games Society remain committed to joining its numerous partners in sport and recreation in furthering positive health, social, and economic outcomes for the Province of BC and its citizens.

Outside of the objectives reported in the following pages, BC Games Society also:

With respect to Partner Games:

- provided event management services to the 2010 BC Seniors Games which involved 3367 participants and 2004 volunteers, and to the host society preparing for the West Kootenay 2011 BC Seniors Games.
- 2011 Northern BC Winter Games and 2011 BC Disability Games were cancelled by their respective host communities.

With respect to Hosting BC:

- administered the Hosting BC grant program, which saw $515,000 in provincial funding going to support 71 events in 29 communities.
- managed the www.hostingbc.ca website – a 2010 Olympic and Paralympic Winter Games legacy which links communities' hosting capabilities to national and international events

With respect to Volweb.ca:

- managed the volweb.ca website – also a 2010 Games' legacy which matches volunteers with volunteer opportunities.

Risk and Sensitivities

The BC Games Society relies on third party delivery for the recruitment of athletes who attend the BC Winter and BC Summer Games. This recruitment and training of attending coaches and officials is the responsibility of the participating Provincial Sport Organizations (PSOs). Their successes in recruitment and training are reflected in our statistics pertaining to athletes and coaches. While the BC Games Society provides the Games as an opportunity for athlete, coach, and officials' development, the onus is on the Provincial Sport Organizations to make the most of this event to help develop their sport.

Volunteers are undoubtedly sport's greatest resource. Sometimes initial enthusiasm and a desire to support one's community does not always translate into success at the organizational level; therefore strong volunteer recruitment and retention plans are a critical component of any event. The Township of Langley 2010 BC Summer Games faced challenges with its volunteer plan in two key areas just weeks prior to the Games – challenges that pressed the Host Society's leadership to act quickly and effectively – but ultimately demonstrated the value and strength of the overall organizational team and its volunteers.

The BC Games Society recognizes challenges associated with volunteerism and places them in context with the overall size and scope of the BC Games. Staff professionalism, transfer of knowledge documents, and the organizational structure of the Games allows for challenges to be identified and managed appropriately thereby helping host communities deliver successful Games and build their volunteer resources for future events and opportunities.

4. Alignment with Government's Strategic Plan

The BC Games Society supports three of the Government's priorities as identified in their Strategic Plan.

To lead the way in North America in healthy living and physical fitness.

The purpose of the BC Winter and BC Summer Games is to provide an opportunity for the development of athletes, coaches, and officials in preparation for higher levels of competition in a multi-sport event. The Society promotes interest and lifelong participation in sport and sporting activities, and individual achievement. BC's multi-sport Games promote healthy, active lifestyles for a broad range of populations, and builds capacity in skilled volunteers, sport programs, equipment and facilities, all avenues that continue to contribute to healthy communities. Additionally, these Games provide participation and competition opportunities which are aligned with the goals and objectives of the Canadian Sport for Life[7] model – an approach that the Ministry of Community, Sport and Cultural Development, and its partners, along with the sport and recreation sectors, are implementing in BC.

To build the best system of support for persons with a disability, special needs, children at risk, and seniors.

Integration of athletes with a disability has been part of our Games model since our inception. We continue to support further integration by expanding opportunities for sports

[7] framework for sport participation from childhood to seniors see LTAD.ca

for athletes with a disability within a Games' environment. Our event management service agreement with the BC Seniors Games and the BC Disability Games provides additional financial resources and professional staff support to these Games, and contributes to a positive experience for athletes from both constituencies.

To make BC the best educated, most literate jurisdiction on the continent.

Our commitment to the provision of quality written resources for the training and education of volunteers continues. Recognized nationally for their thoroughness and ease of use, our *Guidelines for the Host Community* are now online making them more accessible to more volunteers. As well, the Games' experience for volunteers in host communities provides skills that contribute to lifelong learning, whether this be for use in business, community or personal environments.

Additionally, through the 2010 Shareholder's Letter of Expectation (SLE) signed with the Ministry of Community, Sport and Cultural Development, the BC Games Society…

- will work to increase province-wide participation, and track progress
- collaborate with sport system partners to promote sport opportunities for Aboriginal, multi-cultural groups and others traditionally under-represented in sport
- continues to position the BC Games as an opportunity to promote the values of ActNow BC
- continues to make decisions which result in lesser environmental impacts, thereby assisting the public sector become carbon neutral.

The entire SLE may be read at bcgames.org - - - click on *About Us*.

GOAL 1 – EFFECTIVE MANAGEMENT OF BC WINTER GAMES, BC SUMMER GAMES AND PARTNER GAMES

Objectives

In partnership with the Township of Langley 2010 BC Summer Games, and the Greater Vernon 2012 BC Winter Games, and the Surrey 2012 BC Summer Games, plan, prepare, and implement quality multi-sport events for the benefit of participants, volunteers, and funding and corporate partners.

Key Strategies

Provide concise written online materials to support the volunteers in creating quality BC Games.
Promote PSO's use of the BC Winter and BC Summer Games through Memorandums of Understanding as a key element in the continuum of their athlete, coach, and officials' development while recruiting and maintaining a key network of key sport volunteers across the province.

Performance Measures	Actuals				Variance and/or Comments Related to Measures	Target
	07 / 08 Actuals Kimberley – Cranbrook 2008 Winter	08 / 09 Actuals Kelowna 2008 Summer	09 / 10 Actuals Terrace 2010 Winter	10 / 11 Actuals Township of Langley 2010 Summer		10 / 11 Greater Vernon 2012 Winter
Volunteers use and value online tasks, samples, and protocols to effectively manage their BC Games[8].	91% satisfaction rating of online resources.	87% satisfaction rating of online resources.	63% satisfaction rating of online resources.	83% satisfaction rating of online resources.	Consistently high rate of satisfaction is testament to the enthusiasm volunteers bring to the project, while recognizing the thoroughness and professionalism of our approach to volunteer management.	80% satisfaction – measurement surveys to begin in May 2011.
Head coaches attending the BC Winter and BC Summer Games are certified to the required National Coaching Certification Program level II.[9]	65% of coaches were certified to required standard.	95% of coaches were certified to required standard.	76% of coaches were certified to required standard.	91% of coaches were certified to required standard.	80% of head coaches attending a BC Games are new each year. High levels of coach certification provide athletes with competent and effective support, helping them to perform at their best. This certification standard also brings increased coaching skills back to home communities.	80% of coaches will be certified.
BC Winter and BC Summer Games athletes and coaches move on to higher levels of competition including the Canada Games.[10]	2009 Canada Summer Games to include 60% BC Games alumni. 2011 Canada Winter Games to include 65% BC Games alumni.	Measurements for 2009 to be completed in Oct. 2009.	51% (149) athletes and 65% (30) coaches attending the 2009 Canada Summer Games were BC Games alumni (53% of entire team).	55% (133) athletes and 63% (29) coaches attending the 2011 Canada Winter Games were BC Games alumni (57% of entire team). Alumni contributed to 56 of 88 medals awarded to Team BC.	9 of 19 sports had at least 73% BC Games alumni on their team.	2013 Canada Summer Games to include 60% BC Games alumni. Measurement to be taken Sept. 2013.
Legacies from BC Winter and BC Summer Games include new sport club development, trained volunteers, and facility upgrades[11].	3,033 volunteers were recruited and trained. Direct cash investment in sport was $77,000. Legacy investment was $118,646.	2562 volunteers were recruited and trained. Direct cash investment in sport was $60,034 Legacy investment is $77,867.	1807 volunteers were recruited and trained. Direct cash investment in sport was $68,255. Legacy investment is $63,687.	2599 volunteers were recruited and trained. Direct cash investment in sport was $67,900. Legacy investment is $75,319.	Clustering sport competitions allowed for reduced volunteer requirements. Direct Games investment enhanced recently completed community facilities such as the Langley Event Centre and McLeod Athletic Park. Community legacy exceeds target by $20,000.	Anticipated volunteer recruitment to be 3800. Investment in sport to equal $80,000 Legacy investment post Games anticipated to be $55,000.

[8] statistics gathered from volunteers using Zoomerang survey tool
[9] coaching information provided by Provincial Sport Organizations and/or Coaching Association of BC
[10] Team BC data provided by the Sport Branch, Ministry of Community, Sport and Cultural Development
[11] figures taken from host community audited statements

GOAL 2 – ENTREPRENEURIAL ACTIVITIES

Objectives						
To ensure the financial sustainability and enhancement of the BC Games through entrepreneurial activity by increasing the level of non-governmental fiscal support of the BC Winter and BC Summer Games.						
Key Strategies						
Establish new and maintain existing corporate partners through delivery on our contractual obligations. Provide supportive documentation and event management to Host Communities to recruit and develop local financial and/or in-kind support.						
Performance Measures	**Actuals**[12]				**Variance and/or Comments related to measures**	**Target**
	07 / 08 Actuals Kimberley – Cranbrook 2008 Winter	08 / 09 Actuals Kelowna 2008 Summer	09 / 10 Actuals Terrace 2010 Winter	10 / 11 Actuals Township of Langley 2010 Summer		10 / 11 Township of Langley 2010 Summer
Corporate partners provide cash and in-kind services to offset budgeted expenditures.	Re-signed AC Jazz to a two-year deal valued at $120,000 ($60,000/yr.)	Completed 2nd year with AC Jazz.	Completed 1st year with AC Jazz.	Completed 2nd year with Jazz Air.	AC Jazz partnership limited to charter aircraft only.	Re-signed partnership through to December 2012.
	Global BC provided $120,000 of coverage related to BC Winter Games.	Global BC provided $170,730[13] of coverage related to BC Summer Games.	Global BC provided $95,061[14] of coverage related to BC Winter Games.	Global BC provided $237,000[15] of coverage related to BC Summer Games.	Global BC continues to support the BC Winter Games with production, promotional time, and news coverage.	Continue ongoing agreement.
	TELUS provides $85,000 cash and in-kind value.	TELUS provided $60,000 cash and in-kind value.	TELUS concluded its partnership March 31, 2009.			
	BC Lottery Corp. (SportsFunder) signed to one year deal valued at $50,000.	BC Lottery Corp. (SportsFunder) signed to one year deal valued at $35,000.	BC Lottery Corp. signed to one-year deal valued at $35,000. CN provided $60,000 through a one- year agreement.	BC Lottery Corp. signed to one-year deal valued at $35,000.	Agreement not renewed as of January 2011. Community investment dollars now targeted to other purposes. Overall society budget reduced to reflect loss of revenue; most notably, the BC Leadership Academy was terminated.	
Host Community budgets are supported by local government and business through cash and in-kind contributions.	Received $68,155 cash and $247,497 of in-kind value.	Received $95,083 cash and $484,200 of in-kind value.	Received $35,391 cash and $287,236 of in-kind value.	Received $162,800 cash and $494,000 of in-kind value.	Leveraging the provincial investment to this degree is attributable to the dedication of the President and Vice President and the support of the business community.	Anticipated recruitment of $40,000 cash and $225,000 value-in-kind.

[12] sources for financial figures from respective corporate contracts and community audited statements
[13] Global's valuation of airtime on CHAN & CHEK (48% primetime)
[14] Global's valuation of airtime on CHAN (48% primetime). Lower number in this fiscal due to airtime provided to Olympic coverage and loss of affiliation with CHEK TV in Victoria
[15] Global's valuation of airtime on CHAN. 44% of ad exposure was in primetime. News coverage accounted for estimated $90,000 of total value

5. FINANCIAL REPORT

Management Discussion and Analysis

Assessment of Results of Operations and Changes in Financial Conditions

Summary Financial Outlook 2008/09 to 2013/14 in 1000's	9/10 Actual	10/11 Budget	10/11 Actual	Budget Variance	Year [1] Variance	11/12 Forecast	12/13 Forecast	13/14 Forecast	14/15 Forecast
Revenues									
Ministry Grant	1,978	2,160	2,160	0	182	2,002	2,002	2,002	2,002
Other Revenues	307	435	442	7	135	283	468	283	468
Total Revenues	**2,285**	**2,595**	**2,602**	**7**	**317**	2,285	2,470	2,285	2,470
Expenditures									
Grants	215	872	839	(33)	624	287	760	325	760
Games Operations	1,327	586	578	(8)	(749)[2]	816	516	766	516
Overhead	1,169	1,137	1,101	(36)	(68)[3]	1,182	1,194	1,194	1,194
Total Expenses	**2,711**	**2,595**	**2,518**	**(77)**	**(193)**	**2,285**	**2,470**	**2,285**	**2,470**
Operating Income (Loss)	(426)	0	84	**84**	**510**	0	0	0	0
Net Assets, beginning of the year	906		480			480	480	480	480
Total Net Assets (Unrestricted) & Invested in Property & Equipment), end of Year	**480**		**564**			**480**	**480**	**480**	**480**
FTEs	**9**	**9**	**9**			**9**	**9**	**9**	**9**

[1] variances due to comparisons between BC Winter and BC Summer Games
[2] lower external transportation costs for participant travel to lower mainland
[3] lower travel costs for staff

Capital Expenditures	78	19	25		19	19	19	19

Balancing the budget was our objective when our Service Plan was approved last spring, and we can report a $68,446 surplus for the year ending March 31. In accordance with the Budget Transparency and Accountability Act, these residual dollars are now placed in our retained earnings, to be used exclusively for capital projects of the BC Games Society.

The BC Games Society Board recognizes and appreciates that budgetary control is critical to our long-term financial health. Each year, management prepares a two-year budget for approval by the Finance Committee and the Board of Directors. These budgets consider our strategic objectives of our annual Service Plan, and the geographic locations of the communities in which Games are being hosted. Total expenditures for the fiscal year ending March 31, 2011 were $2,533,865.

Important to point out was that the BC Games Society did not budget for our management of the Northern BC Winter Games and the BC Disability Games. Aware that both those Games were cancelled, dollars otherwise allocated for staff travel and hosting budgets were reallocated. Had those Games gone forward, the society would have found itself in a deficit situation, knowing associated costs for those two Games during the 2010 / 2011 fiscal year would have been approximately $100,000.

Major Risks and Opportunities

Sport tourism is now the mainstay of many communities' economic development strategy. Each sport event brought to a city or region requires the investment by local business and industry, as well as significant volunteer support. The society continues to monitor the pressures of staging this number of events within the province as sponsorship and volunteer fatigue, saturation of available hosting communities, and overall fiscal sustainability continue to offer challenges.

A strategic provincial approach to hosting and investing in sport event hosting can serve a number of provincial and community objectives such as tourism, economic, and community development. The sport sector can take advantage of these interests and investments to help bring more resources (financial and otherwise) to sport development. Through the delivery of BC Games, the management of Hosting BC and BC Games' membership in the BC Sport Alliance, BC Games will work with various sector and government partners (e.g. sport, tourism, and economic development) to leverage these benefits as much as possible. In doing so, this will help sport use the power of events and associated investments, to further develop athletes, coaches, officials, and volunteers.

We will be working with the BC Seniors Games Society to further develop a standard of event management support and compensation given current staff resources and changes in the BC Seniors Games (e.g. additional day of Games and increasing sophistication and requirements of Games' delivery).

We also acknowledge the challenges in bringing new corporate partners to support our work. The recent signings of Jazz Air and Global BC keep two long time partners, which is particularly important given the fragility and constant change associated with these two industries. Global's re-signing brings their parent SHAW Communications into the BC Games family, further expanding our reach to inform British Columbians of the merits of the BC Winter and BC Summer Games. The BC Lottery Corporation has left us after four years, understanding their departure was due to the repositioning of their community investment dollars into other sport endeavours. The latter part of this fiscal year saw the BC Games Society and the Black Press Group agree to a four year, $1,000,000 term which will

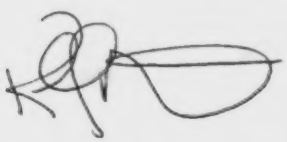
showcase the work of the society and the Host Community's successes in every corner of the province.

An area of caution for the BC Games Society is regarding the outcome of the referendum on the Harmonized Sales Tax. When the HST was introduced on July 1, 2010, the Province of BC deemed the society exempt from the HST, which meant we receive 100% return of HST paid. Previously the society received a 50% input tax credit on the majority of our GST expenditures, with 100% on a select few. We also paid 100% of the PST with no rebate. This HST exemption has meant an approximately $60,000 savings for the society over this past fiscal year.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the BC Games Society have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements present fairly the financial position of the Society as at March 31, 2011 and the results of its operations.

Management is responsible for the integrity of the financial statements and has established policies as conveyed by the Auditor General of British Columbia regarding internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial statements prepared in a timely manner. Inherent to the concept of reasonable assurance is the recognition that there are limits in all internal control systems and that system costs should not exceed the expected benefits.



Kelly Mann
President and CEO

Marlon Badesso, BComm, CA
Hutcheson & Co.

6. Corporate Governance

The BC Games Society, as a Service Crown Agency, is responsible to the Minister of Community, Sport and Cultural Development.

A fifteen member community based Board of Directors, appointed by Ministerial Letter, sets the strategic direction of the BC Games Society, in partnership with the provincial sport sector, and approval of the Minister. President and CEO, Kelly Mann, is given direction by the Board and is accountable for managing the operations of the Society. The Director's activities and responsibilities are governed by *Best Practice Guidelines for Governance and Disclosure for Governing Boards*.

The Society receives its core funding through a Transfer under Agreement with the Sport Branch of the Ministry of Community, Sport and Cultural Development.

The Board of Directors' guiding principles are:

- Accountability and Performance
- Openness, Trust and Transparency
- Stewardship, Leadership and Effectiveness
- Clarity of Roles and Responsibilities
- Service and Corporate Citizenship
- Value, Innovation and Improvement

Board Members and Committees

Committees of the Board

Finance – responsible for the review of all financial reports, audited statements, and supporting financial materials in order to make recommendations to the Board.
Sport – reviews and recommends to the Board, sports and communities for inclusion in the BC Winter and Summer Games.
Marketing and Communications – assists in the development of the strategic direction for marketing the BC Games, as well as recommending options for Corporate Partner benefits and acquisition.

Cathy Priestner Allinger Co-Chair, West Vancouver
Frank Lento, Co-Chair and Sport, Fernie
Sharon White, Provincial Government, Marketing and Communications, Finance, Victoria
Susan Archibald[19], North Vancouver, Marketing and Communications, Finance
Dena Coward, Vancouver, Sport
Scott Braley[20], Sport Committee, North Vancouver
Anoop Sharma, Finance, BC Disability Games Society, Vancouver
Sue Bock, Trail, Marketing and Communications
Moira Gookstetter[21], Vancouver, Sport
Kjeld Brodsgaard[21], Victoria, Sport
Wade Loukes, Sport, Northern BC Winter Games Society, Prince George
Kelly Stefanyshyn, Chair - Sport, Vancouver
Bruce Johnson[20], Finance, Penticton
Jamie Choi, Chair – Finance, Vancouver
Renee McCloskey, Prince George

[19] appointed March 19, 2011
[20] term expired January 28, 2011
[21] appointed January 31, 2011

Kimberly Gilhooly[20], Chair, Sport and Marketing and Communications, Vernon
Ken Wood[20], Sport Committee, Coquitlam
Byron McCorkall[21], Kamloops, Finance
Dorothy Paul, Sport Committee, Brentwood Bay

Complete biographies on our Board members and Board policies are available on our website. The BC Games Society complies with the provincial government's Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations.

http://www.bcgames.org/dotnetnuke/AboutUs/BoardGovernance/tabid/119/Default.aspx

7. FINANCIAL STATEMENTS

Financial Statements of

BC GAMES SOCIETY

Year Ended March 31, 2011

MANTELL | DICKSON | BLADES | DUSANJ
Chartered Accountants

202-4430 Chatterton Way Victoria, BC V8X 5J2
Tel: 250.220.7311 | Fax: 250.479.2124
Web: www.mdbd.ca

AUDITORS' REPORT

To: The Board of Directors of the BC Games Society

Report on Financial Statements
We have audited the accompanying financial statements of BC Games Society (the "Society"), which comprise the statement of financial position as at March 31, 2011 and the statements of operations and changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these financial statements present fairly, in all material respects, the financial position of Society as at March 31, 2011 and the results of its operations and changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Mantell Dickson Blades Dusanj

Victoria, B.C.
May 19, 2011

Chartered Accountants

BC GAMES SOCIETY

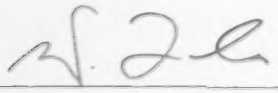
STATEMENT OF FINANCIAL POSITION

MARCH 31,	**2011** $	**2010** $
ASSETS		
CURRENT		
Cash and cash equivalents	436,181	119,737
Receivables	22,679	429,783
Inventory	2,575	3,229
Prepaids	7,447	1,700
	468,882	554,449
PROPERTY AND EQUIPMENT *(Note 4)*	155,627	169,872
	624,509	724,321
LIABILITIES		
CURRENT		
Payables and accruals	62,287	236,005
Deferred funding	-	8,060
	62,287	244,065
NET ASSETS		
NET ASSETS INVESTED N PROPERTY AND EQUIPMENT	155,627	169,872
UNRESTRICTED NET ASSETS	406,595	310,384
	562,222	480,256
	624,509	724,321

COMMITMENTS *(Note 6)*

APPROVED BY THE BOARD

Director



Director

See accompanying notes

BC GAMES SOCIETY

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31,

CURRENT YEAR (2011)

	Invested in Property and Equipment $	Unrestricted $	2011 Total $
NET ASSETS, beginning of year	169,872	310,384	480,256
EXCESS OF REVENUE OVER EXPENSES	-	81,966	81,966
AMORTIZATION	(39,276)	39,276	-
INVESTMENT IN PROPERTY AND EQUIPMENT	25,031	(25,031)	-
NET ASSETS, end of year	155,627	406,595	562,222

PRIOR YEAR (2010)

	Invested in Property and Equipment $	Unrestricted $	2010 Total $
NET ASSETS, beginning of year	127,731	779,252	906,983
(DEFICIENCY) OF REVENUE OVER EXPENSES	-	(426,727)	(426,727)
AMORTIZATION	(36,107)	36,107	-
INVESTMENT IN PROPERTY AND EQUIPMENT	78,248	(78,248)	-
NET ASSETS, end of year	169,872	310,384	480,256

See accompanying notes

BC GAMES SOCIETY

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31,	**2011**	**2010**
	$	$
REVENUE		
Province of British Columbia - Operating Grant	2,160,000	1,978,000
Athlete registration	351,338	153,003
Contractual revenues	48,500	750
Funding partners *(Note 10)*	35,000	95,000
Interest earned	5,940	3,186
Souvenirs	1,552	2,000
BC Senior Games Service Agreement	-	53,037
	2,602,330	2,284,976
EXPENSES		
Advertising and publications	64,049	53,410
Amortization	39,276	36,107
Computer maintenance	6,838	7,520
Games operating costs	578,494	1,326,947
Insurance, leases and utilities	147,663	125,896
Office and business expenses	61,795	71,258
Operating grants, less returns	838,901	215,279
Professional services	41,074	38,071
Salaries and employee benefits	661,175	697,502
Travel and accommodation	81,099	139,713
	2,520,364	2,711,703
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	81,966	(426,727)

See accompanying notes

BC GAMES SOCIETY

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31,	**2011**	**2010**
	$	$
CASH FLOW DERIVED FROM (APPLIED TO):		
OPERATING		
Excess (deficiency) of revenue over expenses	81,966	(426,727)
Amortization	39,276	36,107
	121,242	(390,620)
Changes in non-cash operating working capital		
Receivables	407,104	(410,632)
Inventory	654	111
Prepaid expenses	(5,747)	-
Payables and accruals	(173,718)	183,157
Deferred funding	(8,060)	(1,494)
	341,475	(619,478)
INVESTING		
Purchase of property and equipment *(Note 3)*	(25,031)	(78,248)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	316,444	(697,726)
CASH AND CASH EQUIVALENTS, beginning of year	119,737	817,463
CASH AND CASH EQUIVALENTS, end of year	436,181	119,737
CASH AND CASH EQUIVALENTS is comprised of:		
Royal Bank operating account	436,181	44,630
BCIMC Investment Trust account	-	75,107
	436,181	119,737

See accompanying notes

1. STATEMENT OF PURPOSE

The Society was incorporated under the Society Act on June 26, 1987. Currently, the purpose of the Society is to provide event management leadership to achieve sport, individual and community development.

Approximately 83% of the Society's annual revenues are received from the Province of British Columbia with the remainder generated by corporate sponsors, surpluses from host societies, athlete registration fees, contract service and interest.

The Northern B.C. Winter Games, the BC Winter Games, the B.C. Disability Games, the BC Summer Games and the B.C. Seniors Games are planned and operated by societies incorporated in the host community for each event. These financial statements do not reflect the revenues and expenditures of the local societies.

2. FUTURE ACCOUNTING POLICIES

The Public Sector Accounting Board issued an amendment to its Exposure Draft addressing Financial Reporting by Certain Government Organizations. Based on the classification of the Society, it is required to adopt the Public Sector Accounting Handbook ("PSAB") for the fiscal year commencing April 1, 2011. The Society is currently evaluating the potential impact the adoption of PSAB will have on its financial statements for the 2012 fiscal year. The impact on the Society's financial results has not yet been determined.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The term "Society" is used to mean the BC Games Society.

(a) Basis of Accounting

These financial statements are prepared by management in accordance with Canadian generally accepted accounting principles.

(b) Property and Equipment

Amortization is calculated on a straight-line basis over the asset's estimated useful economic life, as follows:

Computers and application software	3-5 years
Registration software and computer cabling	5 years
Bedding, torch, flags and signs for Host Societies	12 years
Furniture and equipment	10 years
Trademarks	20 years
Leaseholds	over the term of the lease

In the year of purchase assets are amortized proportionately over the period of use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Revenue Recognition

The Society follows the deferral method of accounting for Grants and Contributions received, whereby revenues are matched with expenses. Restricted contributions, if any, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable.

Donated or discounted goods and services are recorded at the amount of cash consideration.

Receipt of surplus from Summer and Winter Games Societies is recorded at the earlier of cash receipt and final determination of the amount of the surplus.

(d) Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Actual results may vary from the current estimates.

(e) Provincial Contributions

The financial statements do not reflect certain administrative expenses incurred and paid directly by the Province of British Columbia in the delivery of the games.

(f) Legacy Funds - Host Communities

Host communities retain 100% of profits from souvenir sales and 50% of their operating surplus, if any, and all interest earned as part of their legacy fund.

(g) Grants to Host Societies

Grants to host societies are recorded as an expense when disbursement of funds has been authorized.

(h) Financial Instruments

For the current year, the Society has elected to continue to apply CICA 3861 and companion sections relating to "Financial Instrument Presentation and Disclosure" rather than adopt CICA 3862 and CICA 3863. Those standards prescribe extended disclosures about the significance of financial instruments for an entity's financial position and results of operations, and qualitative and quantitative disclosures on the nature and extent of risks arising from financial instruments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The Society has designated cash and short-term investments as held for trading and carries them at fair value as the fair value is readily determinable. Changes in fair value are recognized in revenue and expenses in the period in which they arise. Accounts receivable and accounts payable and accrued liabilities are classified as loans and receivables or other liabilities and are recorded at amortized cost. Accounts receivable, accounts payable and accrued liabilities are recorded at their fair value which is approximated by their initial carrying value, due to their short term nature.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, know as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Society is not exposed to significant interest rate risk relating to its financial assets and liabilities.

Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society enters into transactions to purchase goods and services on credit. Liquidity risk is measured by reviewing the Society's future net cash flows for the possibility of a negative net cash flow. The Society manages the liquidity risk resulting from its accounts payable obligations by maintaining significant cash resources and investing in liquid investments.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Price risk is managed by holding investments to maturity.

4. PROPERTY AND EQUIPMENT

	2011 $	2010 $
Registration software	329,881	313,932
Application software	18,913	14,999
Computers	23,049	17,881
Bedding, torch, flags and signs for Host Societies	170,285	170,285
Furniture and equipment	32,552	32,552
Cabling	8,436	8,436
Leaseholds	17,172	17,172
At cost	600,288	575,257
Less: Accumulated amortization	444,661	405,385
Net book value	155,627	169,872

4. PROPERTY AND EQUIPMENT *(continued)*

	2011 $	2010 $
Additions during the year		
Computers	5,168	921
Registration software enhancements	15,949	15,865
Application software	3,914	4,665
Torch	-	56,797
	25,031	78,248

5. SURPLUS FROM HOST SOCIETIES

Surplus from the host societies is comprised of:

	2011 $	2010 $
Terrace 2010 Winter Games Society	51,599	-
Kelowna 2008 Summer Games Society	-	66,721
	51,599	66,721

6. COMMITMENTS

The Society has commitments arising from contractual agreements for office equipment, television advertising, employment services, and a lease for office premises. The Society is also committed to provide funding to host societies for staging of future games events.

Minimum annual commitments in each of the next five fiscal years are as follows:

General Commitments

	Total $
2012	253,820
2013	238,920
2014	234,400
2015	230,400
2016	230,400
	1,187,940

Host Society Commitments

	$	
2012	452,500	
2013	770,000	
2014	440,000	
2015	760,000	
2016	450,000	2,872,500
		4,060,440

7. CAPITAL MANAGEMENT

The Society receives its principal source of capital through funding received from the Province of British Columbia. The Society defines capital to be fund balances.

The Society's objective when managing capital is to fund its operations and capital asset additions. The Society manages capital in conjunction with the Province based on funding restrictions and economic conditions. Expenses are monitored to preserve capital within budgeted funding and grants. The Society is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purpose outlined in the funding letter. The Society has complied with the external restrictions on the funding provided.

8. RELATED PARTY TRANSACTIONS

The Society is economically dependent on the receipt of funding from the Province of British Columbia. Early in each fiscal year the annual funding from the Province is paid to the Society to cover the operating cost for that year. The use of the funds is governed by the Agreement for Financial Assistance signed by both parties.

Details are as follows:

	2011 $	2010 $
Grant received - Operations	2,160,000	1,978,000
Interest earned	5,940	3,186
Balance held by BCIMC at year end	-	75,107

9. DEFERRED FUNDING

	2011 $	2010 $
a) Funds for B.C. Olympic and Paralympics Youth Leadership Program:		
Opening balance	8,060	9,554
Received from Legacies Now	-	2,000
Contributions from non-government sources	-	14,574
	8,060	26,128
Expenses		
Terrace 2010 Winter Games Society	-	12,000
Returned to Donors	6,600	-
Other	1,460	6,068
Balance, end of year	-	8,060

The B.C. Olympic and Paralympics Youth Leadership Program was cancelled during the year. The remaining balance in the fund was divided and returned to the original donors.

10. FUNDING PARTNERS

During the year, the Society received $35,000 from the BC Lottery Corporation as a sponsor of the BC Summer Games.

Honourable Ida Chong, Minister

BC Games Society
200 – 990 Fort Street, Victoria, BC, V8V 3K2
tel. 250.387.1375 www.bcgames.org info@bcgames.org